

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:227
ANSWERED ON:09.08.2005
IMPORT OF EDIBLE OIL
Thummar Shri Virjibhai

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government is importing large scale of edible oil;
- (b) if so, the details of the imports for each of the last three years and thereafter alongwith reasons therefor;
- (c) whether the Government is aware that farmers are forced to sell oil seeds at a price lower than minimum support price due to large scale import of edible oil in the country;
- (d) if so, whether the Government has conducted any study to assess the adverse impact of edible oil import; and
- (e) if so, the details thereof alongwith the action taken in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) OF LOK SABHA STARRED QUESTION NO. 227 DUE FOR ANSWER ON 09.08.2005 REGARDING IMPORT OF EDIBLE OIL.

(a) & (b) The details of import of edible oil during the last three years is indicated below:

Year	Value (Rs. crores)
------	--------------------

2002-03	8779.63
---------	---------

2003-04	11683.24
---------	----------

2004-March 2005 (Prov.)	10755.65
-------------------------	----------

April 2005-May 2005 (Prov)	1125.45
----------------------------	---------

Imports are made because the domestic production of oil seeds is not sufficient to meet the domestic demand. The gap between demand and supply is met through import of edible oil.

(c) The Government of India announces a Minimum Support Price (MSP) for major oilseed crops every year on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP) to provide remunerative prices to oilseed growers. Whenever market prices of these crops fall below the MSPs, the National Agricultural Co-operative Marketing Federation of India Ltd. (NAFED), as Central Nodal Agency undertakes procurement of oilseeds under the Price Support Scheme (PSS) within the country.

(d) & (e) Some quick sectoral studies have been conducted by the Department of Agriculture and Cooperation to assess the likely impact of import of edible oils. In order to ensure that the farmers of the country are not put to any hardship, Government has put in place a suitable mechanism for monitoring the import of sensitive items and is committed to providing adequate protection to the domestic producers by resorting to various WTO compatible measures which include appropriate calibration of applied tariffs within the bound rate levels and safeguard action under specified circumstances.

As a sequel to these measures, import duties on a number of items including edible oils (both crude and refined), tea, coffee, copra and coconut, wheat, rice, maize, edible oils, pulses, spices, arecanut and apple have been increased in the last 5 years. Further, Government is also implementing a number of development programmes to increase the competitiveness of the Indian farmer. These include introduction of improved farming technology, improved availability of inputs including water, credit and fertilizer and price support through the Minimum Support Price (MSP) Scheme and Market Intervention Scheme (MIS).